

House File 2368 - Reprinted

HOUSE FILE 2368

BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HF 2116)

(As Amended and Passed by the House March 4, 2014)

A BILL FOR

1 An Act modifying security freeze provisions and extending
2 security freeze protection to specified individuals
3 designated as protected consumers, making penalties
4 applicable, and including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714G.1, subsection 1, Code 2014, is
2 amended to read as follows:

3 1. "*Consumer*" means an individual who is a resident of this
4 state sixteen years of age or older who does not otherwise meet
5 the definition of a protected consumer and who is not subject
6 to a protected consumer security freeze.

7 Sec. 2. Section 714G.1, subsection 3, Code 2014, is amended
8 by adding the following new paragraph:

9 NEW PARAGRAPH. *d.* A company that maintains a database or
10 file that consists of any of the following information which is
11 used for purposes unrelated to the granting of credit:

12 (1) Criminal history information.

13 (2) Information relating to employment, rental history, or
14 a background check.

15 Sec. 3. Section 714G.1, Code 2014, is amended by adding the
16 following new subsections:

17 NEW SUBSECTION. 7A. "*Protected consumer*" means an
18 individual who is either under sixteen years of age at the time
19 a request for a protected consumer security freeze is made for
20 the individual or is an incapacitated person or a protected
21 person for whom a guardian or conservator has been appointed.

22 NEW SUBSECTION. 7B. "*Protected consumer security freeze*"
23 means one of the following:

24 *a.* If a consumer reporting agency does not have a file
25 pertaining to a protected consumer, a restriction that is
26 placed on the protected consumer's record in accordance with
27 section 714G.8A that prohibits the consumer reporting agency
28 from releasing the protected consumer's record except as
29 provided in that section.

30 *b.* If a consumer reporting agency has a file pertaining
31 to a protected consumer, a restriction that is placed on the
32 protected consumer's consumer credit report in accordance
33 with section 714G.8A that prohibits the consumer reporting
34 agency from releasing the protected consumer's consumer credit
35 report or any information derived from the protected consumer's

1 consumer credit report except as provided in that section.

2 NEW SUBSECTION. 7C. "*Record*" means a compilation of
3 information that includes or satisfies all of the following:

4 a. Identifies a protected consumer.

5 b. Is created by a consumer reporting agency solely for the
6 purpose of complying with section 714G.8A.

7 c. Is not created or used to consider the protected
8 consumer's credit worthiness, credit standing, credit capacity,
9 character, general reputation, personal characteristics, or
10 mode of living.

11 NEW SUBSECTION. 7D. "*Representative*" means a protected
12 consumer's parent, guardian, or custodian who provides to a
13 consumer reporting agency sufficient proof of authority to act
14 on behalf of a protected consumer.

15 NEW SUBSECTION. 8A. "*Sufficient proof of authority*" means
16 documentation that shows a representative has authority to act
17 on behalf of a protected consumer, which may be demonstrated
18 in the form of an order issued by a court of law, a lawfully
19 executed and valid power of attorney, or a written notarized
20 statement signed by the representative that expressly describes
21 the authority of the representative to act on behalf of a
22 protected consumer.

23 NEW SUBSECTION. 8B. "*Sufficient proof of identification*"
24 means one or more of the following:

25 a. A protected consumer's social security number or a copy
26 of a social security card issued by the federal social security
27 administration.

28 b. A certified or official copy of a protected consumer's
29 birth certificate issued by the entity authorized to issue the
30 birth certificate.

31 c. A copy of a protected consumer's driver's license, a
32 protected consumer's nonoperator's identification card issued
33 by the state department of transportation, or any other federal
34 or state government-issued form of identification pertaining
35 to a protected consumer.

1 Sec. 4. Section 714G.8, unnumbered paragraph 1, Code 2014,
2 is amended to read as follows:

3 A security freeze or protected consumer security freeze
4 shall not apply to the following persons or entities:

5 Sec. 5. NEW SECTION. **714G.8A Protected consumer security**
6 **freeze.**

7 1. A consumer reporting agency shall implement a protected
8 consumer security freeze for a protected consumer if the
9 consumer reporting agency receives a request from the protected
10 consumer's representative for the placement of the protected
11 consumer security freeze pursuant to this section and the
12 protected consumer's representative complies with all of the
13 following:

14 *a.* Submits the request to the consumer reporting agency
15 at the address or other point of contact and in the manner
16 specified by the consumer reporting agency.

17 *b.* Provides sufficient proof of identification of
18 the protected consumer, and proof of the identity of the
19 representative.

20 *c.* Provides sufficient proof of authority to act on behalf
21 of the protected consumer.

22 *d.* Payment of the fee specified in subsection 5.

23 2. *a.* A protected consumer security freeze requested
24 pursuant to subsection 1 shall commence within thirty days
25 after the request is received. If a consumer reporting
26 agency does not have a file pertaining to a protected consumer
27 when the consumer reporting agency receives the request,
28 the consumer reporting agency shall create a record for the
29 protected consumer within thirty days after the request is
30 received.

31 *b.* While a protected consumer security freeze is in
32 effect, a consumer reporting agency shall not release the
33 protected consumer's consumer credit report, any information
34 derived from the protected consumer's consumer credit report,
35 or any information contained in the record created for the

1 protected consumer. The protected consumer security freeze
2 shall remain in effect until the protected consumer or the
3 protected consumer's representative requests the consumer
4 reporting agency to remove the protected consumer security
5 freeze pursuant to subsection 3, or the consumer reporting
6 agency removes the protected consumer security freeze pursuant
7 to subsection 6.

8 3. A consumer reporting agency shall remove a protected
9 consumer security freeze if the consumer reporting agency
10 receives a request from the protected consumer or the protected
11 consumer's representative to remove the protected consumer's
12 security freeze that complies with all of the following:

13 a. The request is submitted to the consumer reporting agency
14 at the address or other point of contact and in the manner
15 specified by the consumer reporting agency.

16 b. In the case of a request by a protected consumer, the
17 request includes proof that previously submitted sufficient
18 proof of authority for the protected consumer's representative
19 to act on behalf of the protected consumer is no longer
20 valid, and sufficient proof of identification of the protected
21 consumer.

22 c. In the case of a request by the representative of a
23 protected consumer, the request includes sufficient proof of
24 identification of the protected consumer, proof of the identity
25 of the representative, and sufficient proof of authority to act
26 on behalf of the protected consumer.

27 d. The fee specified in subsection 5.

28 4. A protected consumer security freeze shall be removed
29 by the consumer reporting agency within thirty days after the
30 request for removal pursuant to subsection 3 is received by the
31 consumer reporting agency.

32 5. a. A consumer reporting agency may charge a reasonable
33 fee, not to exceed five dollars, for each placement or removal
34 of a protected consumer security freeze. A consumer reporting
35 agency may not charge any other fee for a service performed

1 pursuant to this section.

2 *b.* Notwithstanding paragraph "a", a fee may not be charged
3 by a consumer reporting agency pursuant to either of the
4 following:

5 (1) If the protected consumer's representative has obtained
6 a police report or affidavit of alleged identity theft under
7 section 715A.8 and submits a copy of the report or affidavit to
8 the consumer reporting agency.

9 (2) A request for the commencement or removal of a protected
10 consumer security freeze is for a protected consumer who is
11 under the age of sixteen years at the time of the request and
12 the consumer reporting agency has a consumer credit report
13 pertaining to the protected consumer.

14 6. A consumer reporting agency may remove a protected
15 consumer security freeze for a protected consumer or delete
16 a record of a protected consumer if the protected consumer
17 security freeze was commenced or the record was created based
18 on a material misrepresentation of fact by the protected
19 consumer or the protected consumer's representative.

20 7. The provisions of sections 714G.8, 714G.10, and 714G.11
21 shall be applicable to a protected consumer security freeze.

22 Sec. 6. EFFECTIVE DATE. This Act takes effect January 1,
23 2015.